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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

December 12, 2007

Date of Report (Date of earliest event reported)

**THE PNC FINANCIAL SERVICES GROUP, INC.**

(Exact name of registrant as specified in its charter)

Commission File Number 001-09718

**Pennsylvania**  
(State or other jurisdiction of  
incorporation or organization)

**25-1435979**  
(I.R.S. Employer  
Identification No.)

**One PNC Plaza  
249 Fifth Avenue  
Pittsburgh, Pennsylvania 15222-2707**  
(Address of principal executive offices, including zip code)

**(412) 762-2000**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On December 12, 2007, James E. Rohr, Chairman and Chief Executive Officer of The PNC Financial Services Group, Inc. (the "Corporation"), gave a presentation to investors at the Goldman Sachs Financial Services CEO Conference in New York. This presentation was accompanied by presentation handouts that included information pertaining to the financial results and business strategies of the Corporation. A copy of these presentation materials is included in this report as Exhibit 99.1 and is furnished herewith.

**Item 9.01 Financial Statements and Exhibits.**

- (d) Exhibits. The exhibit listed on the Exhibit Index accompanying this Form 8-K is furnished herewith.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**THE PNC FINANCIAL SERVICES GROUP, INC.**  
*(Registrant)*

Date: December 12, 2007

By: /s/ Samuel R. Patterson  
Samuel R. Patterson  
*Controller*

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**EXHIBIT INDEX**

<b>Number</b>	<b>Description</b>	<b>Method of Filing</b>
99.1	Presentation materials for the Goldman Sachs Financial Services CEO Conference on December 12, 2007	Furnished herewith



The PNC Financial Services Group, Inc

Goldman Sachs  
Financial Services CEO Conference 2007

New York  
December 12, 2007

# Cautionary Statement Regarding Forward-Looking Information and Adjusted Information

This presentation contains forward-looking statements regarding our outlook or expectations relating to PNC's future business, operations, financial condition, financial performance and asset quality. Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties, which change over time.

The forward-looking statements in this presentation are qualified by the factors affecting forward-looking statements identified in the more detailed Cautionary Statement included in the Appendix, which is included in the version of the presentation materials posted on our corporate website at [www.pnc.com/investorevents](http://www.pnc.com/investorevents). We provide greater detail regarding these factors in our 2006 Form 10-K, including in the Risk Factors and Risk Management sections, and in our current quarter 2007 Form 10-Q and other SEC reports (accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and on or through our corporate website).

Future events or circumstances may change our outlook or expectations and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. The forward-looking statements in this presentation speak only as of the date of this presentation. We do not assume any duty and do not undertake to update those statements.

In this presentation, we will sometimes refer to adjusted results to help illustrate the impact of the deconsolidation of BlackRock near the end of third quarter 2006 and the impact of certain types of items. Adjusted results reflect, as applicable, the following types of adjustments: (1) 2006 and earlier periods reflect the impact of the deconsolidation of BlackRock by adjusting as if we had recorded our BlackRock investment on the equity method prior to its deconsolidation; (2) adjusting the 2006 periods to exclude the impact of the third quarter 2006 gain on the BlackRock/MLIM transaction and losses on the repositioning of PNC's securities and mortgage loan portfolios; (3) adjusting fourth quarter 2006 and the 2007 periods to exclude the net mark-to-market adjustments on PNC's remaining BlackRock LTIP shares obligation and, as applicable, the gain PNC recognized in first quarter 2007 in connection with the company's transfer of BlackRock shares to satisfy a portion of its BlackRock LTIP shares obligation; (4) adjusting all 2007 and 2006 periods to exclude, as applicable, integration costs related to acquisitions and to the BlackRock/MLIM transaction; and (5) adjusting, as appropriate, for the tax impact of these adjustments. We have provided these adjusted amounts and reconciliations so that investors, analysts, regulators and others will be better able to evaluate the impact of these items on our results for the periods presented, in addition to providing a basis of comparability for the impact of the BlackRock deconsolidation given the magnitude of the impact of deconsolidation on various components of our income statement and balance sheet. We believe that information as adjusted for the impact of the specified items may be useful due to the extent to which these items are not indicative of our ongoing operations as the result of our management activities on those operations. While we have not provided other adjustments for the periods discussed, this is not intended to imply that there could not have been other similar types of adjustments, but any such adjustments would not have been similar in magnitude to the amount of the adjustments shown. In certain discussions, we may also provide revenue information on a taxable-equivalent basis by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. We believe this adjustment may be useful when comparing yields and margins for all earning assets.

This presentation may also include a discussion of other non-GAAP financial measures, which, to the extent not so qualified therein or in the Appendix, is qualified by GAAP reconciliation information available on our corporate website at [www.pnc.com](http://www.pnc.com) under "About PNC - Investor Relations."

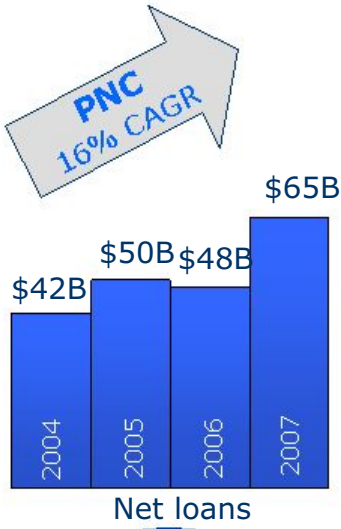


# PNC's Differentiation

- ▶ Performance validates business model
- ▶ Investing for the future
- ▶ Differentiation to drive growth

# Growing Our Balance Sheet

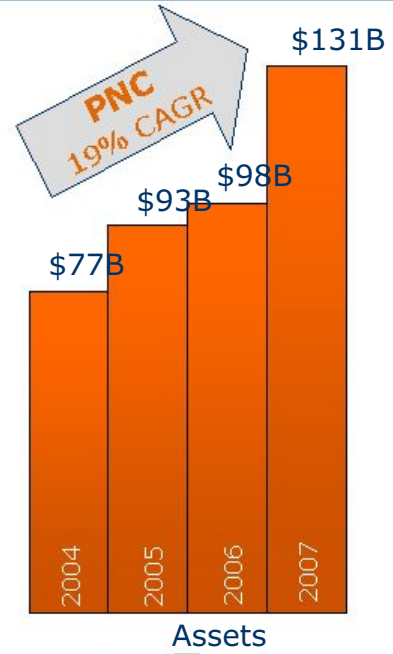
As of September 30



Peer<sup>1</sup> net loan CAGR  
14%



Peer<sup>1</sup> depos. CAGR  
10%



Peer<sup>1</sup> asse. CAGR  
11%

(1) Peer reflects CAGR of the average of the super-regional banks identified in the Appendix other than PNC.

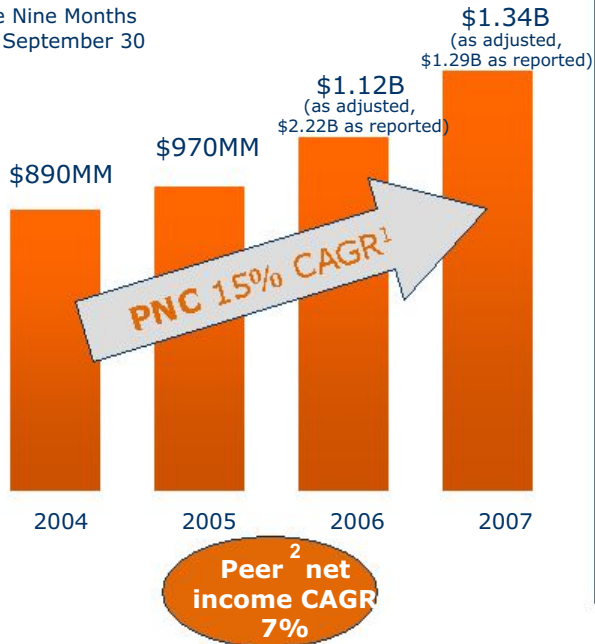




# Delivering the Bottom Line

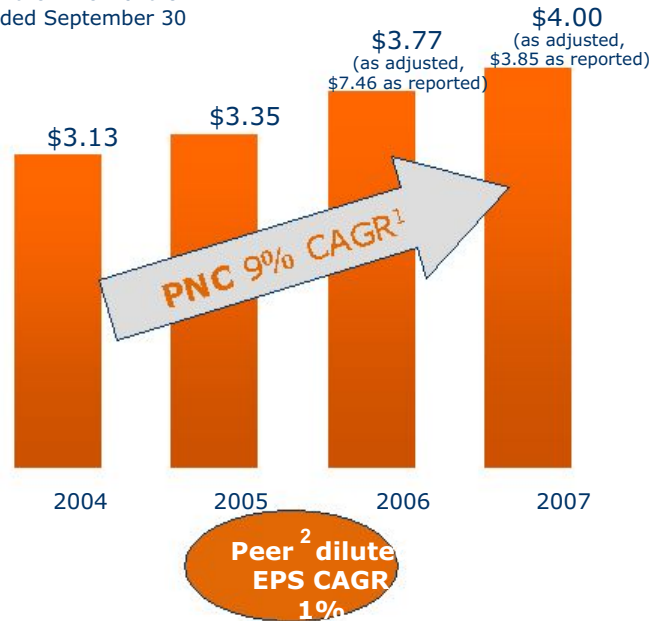
## Net Income

For the Nine Months  
Ended September 30



## Diluted Earnings Per Share

For the Nine Months  
Ended September 30



(1) As adjusted. As reported net income CAGR 13%; diluted earnings per share CAGR 7%. Adjusted net income and diluted earnings per share for the nine months ended September 30, 2006 and 2007 are reconciled to GAAP figures in the Appendix. (2) Peer reflects CAGR of the average of the super-regional banks identified in the Appendix other than PNC.



# Creating Positive Operating Leverage

## Generating Capital by Growing Revenues Faster Than Expenses

billions



- Adjusted Revenue (as reported \$5.5 billion, \$6.3 billion, \$8.6 billion for 2004, 2005, 2006, respectively)
- Adjusted Noninterest Expense (as reported \$3.7 billion, \$4.3 billion, \$4.4 billion for 2004, 2005, 2006, respectively)
- Adjusted Net Income (as reported \$1.2 billion, \$1.3 billion, \$2.6 billion for 2004, 2005, 2006, respectively)

Trend Continues <sup>1</sup>	
Nine months ended September 30, as adjusted	
	2007 vs 2006
<b>Revenue</b>	<b>+20%</b>
<b>Expense</b>	<b>+15%</b>
<b>Net Income</b>	<b>+19%</b>

(1) As reported: revenue (28%), expense (11%), net income (42%). Adjusted amounts are reconciled to GAAP in the Appendix.



# Credit Discipline Reflected in Reserves and Losses

## Proactively Assessing Credits

### Reserves to Nonperforming Assets

**3Q07**

USB	318 %
PNC	251
RF	182
CMA	176
BBT	171
KEY	168
WFC	142
WB	117
FITB	117
NCC	113
STI	93

## Managing the Risk

### Net Charge-offs to Average Loans

**3Q07**

WB	0.19 %
RF	0.27
PNC	0.30
CMA	0.32
STI	0.35
KEY	0.35
BBT	0.41
USB	0.54
NCC	0.54
FITB	0.60
WFC	1.02

For the three months ended September 30, 2007. Source: SNL DataSource, PNC as reported



# Building a Diversified Business Mix

## High Fee Income Contribution

Noninterest Income to Total Revenue<sup>1</sup>

**YTD07**

PNC	58 %	50% without PFPC and BlackRock <sup>3</sup>
USB	52	
FITB	48	
WFC	46	
WB	42	
STI	42	
BBT	42	
KEY	41	
RF	39	
NCC	37	
CMA	30	

## Less Net Interest Income Dependent

Loans to Deposits<sup>2</sup>

**3Q07**

PNC	84 %
RF	101
STI	104
BBT	104
WB	106
KEY	108
WFC	108
FITB	110
NCC	114
CMA	118
USB	121

(1) For the nine months ended September 30, 2007. (2) As of September 30, 2007. (3) Reconciled to GAAP in the Appendix. Source: SNL DataSource, PNC as reported



# PNC's Differentiation

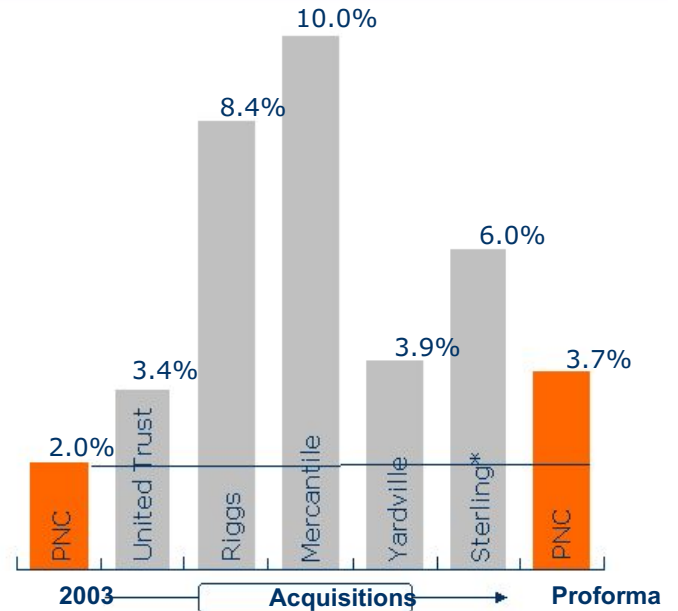
- ▶ Performance validates business model
- ▶ Investing for the future
- ▶ Differentiation to drive growth

# Improving Our Demographics

## Median Household Income



## Projected 5-Year Population Growth



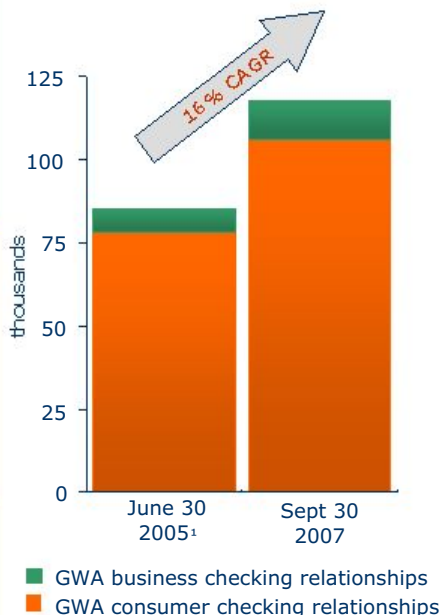
Amounts based on data at time of acquisition announcement. United Trust data reflects demographics of footprint counties weighted by households. Mercantile, Yardville and Sterling data reflect demographics of footprint counties of that company, or by MSA in the case of Riggs, weighted by deposits. PNC 2003 and PNC Proforma amounts reflect demographics, weighted by deposits, of PNC's 68 county footprint and 105 county footprint, respectively, including the impact of PNC's ongoing branch optimization process. PNC and Mercantile headquarter offices excluded for purposes of deposit weighting. Source: SNL DataSource. \*Pending.



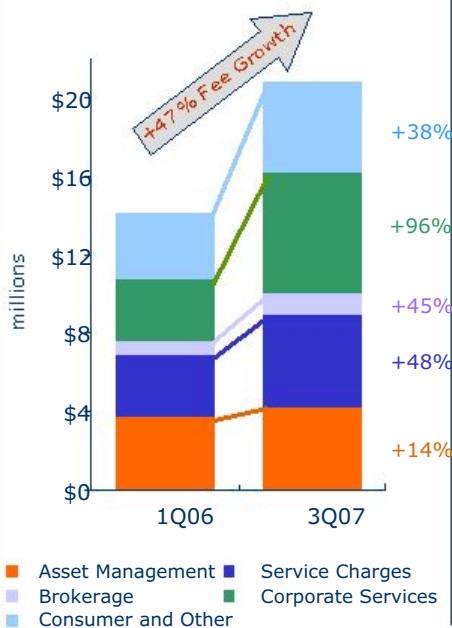
# Executing in the Greater Washington Area ("GWA")

## Deepening Relationships and Growing Noninterest Income\*

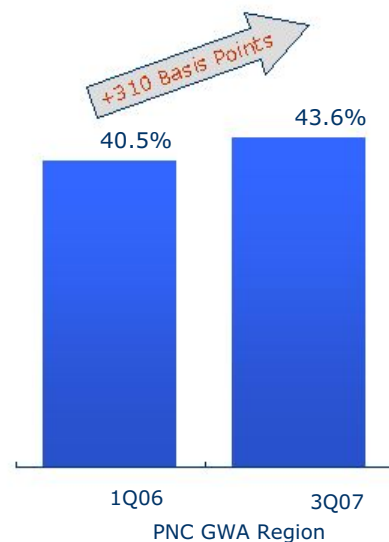
PNC - GWA Retail Relationships



PNC - GWA Fee Growth



GWA noninterest income to total revenue



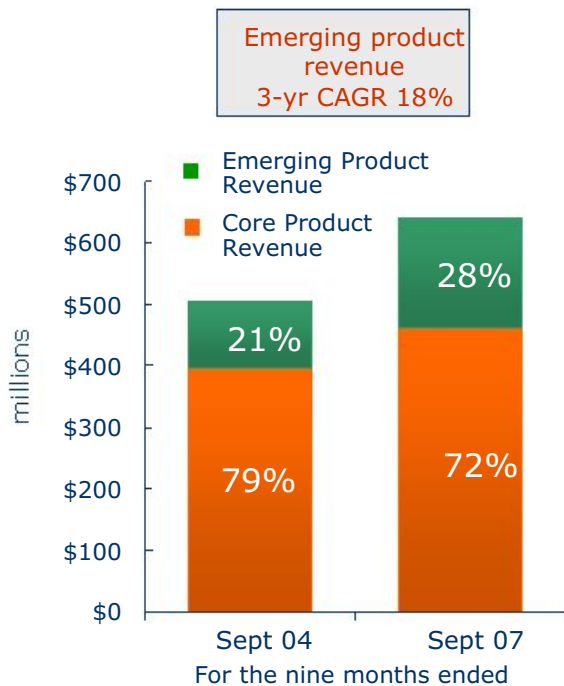
(1) Riggs transaction completed May 2005

\*Excludes the impact of Mercantile



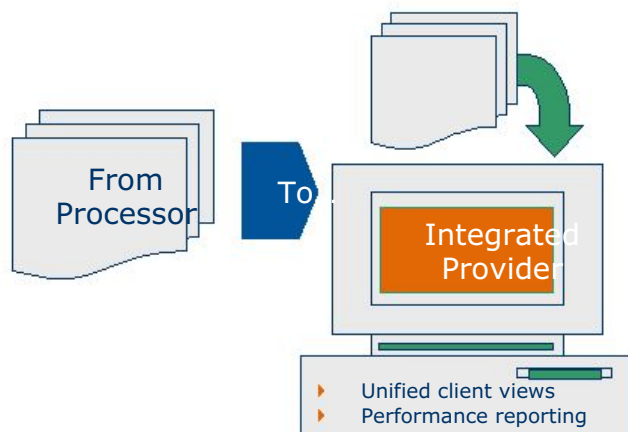
# Leveraging Our Global Fund Servicing Platform

## High Growth Product Focus



## Transforming the Business Model

### Albridge Solutions, Inc.

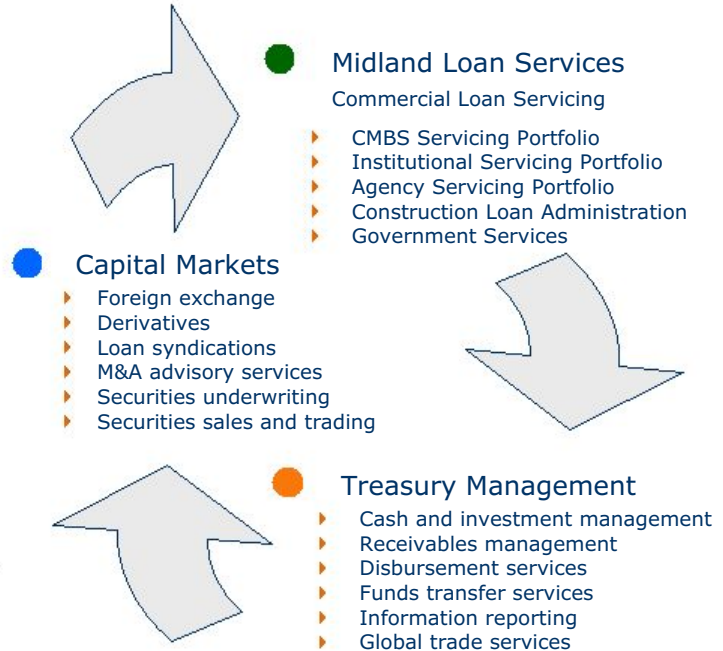




# Leveraging Corporate & Institutional Relationships to Grow Noninterest Income

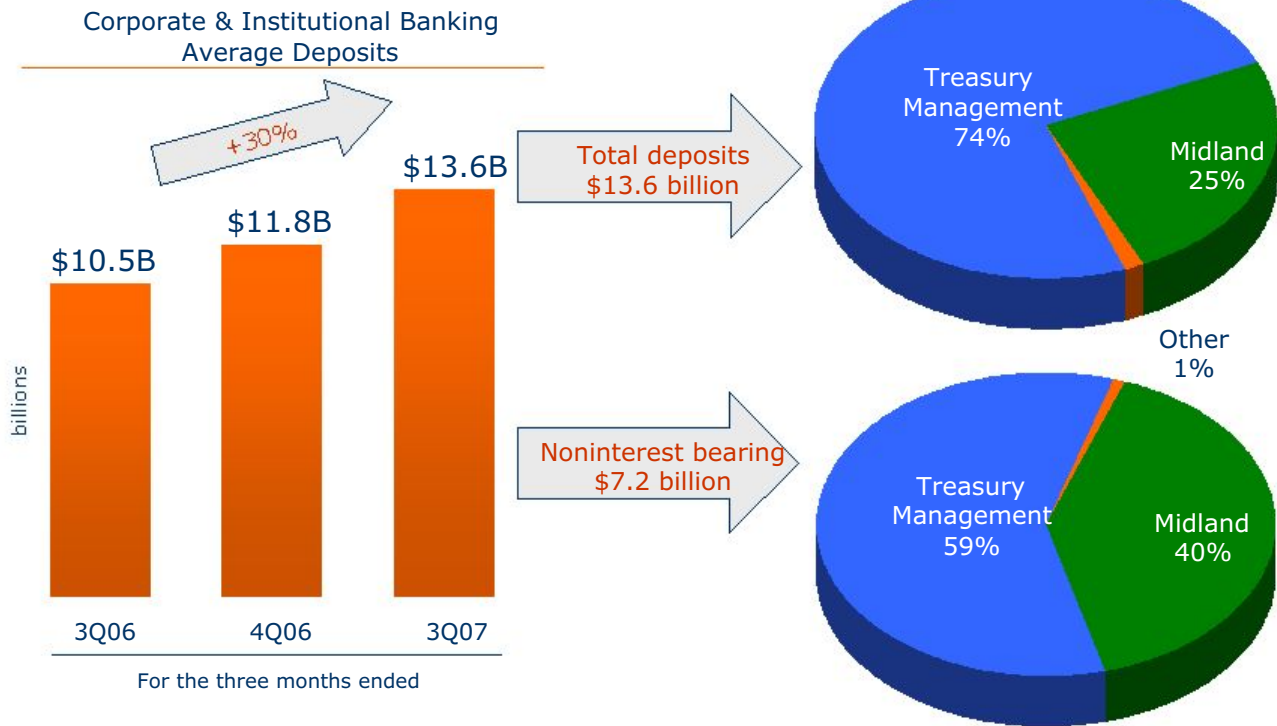
## Deepening Relationships with Fee Based Products and Services

Major Product Revenue<sup>1</sup>



(1) Represents consolidated PNC amounts

# Leveraging Corporate & Institutional Banking Channels to Grow Low Cost Deposits

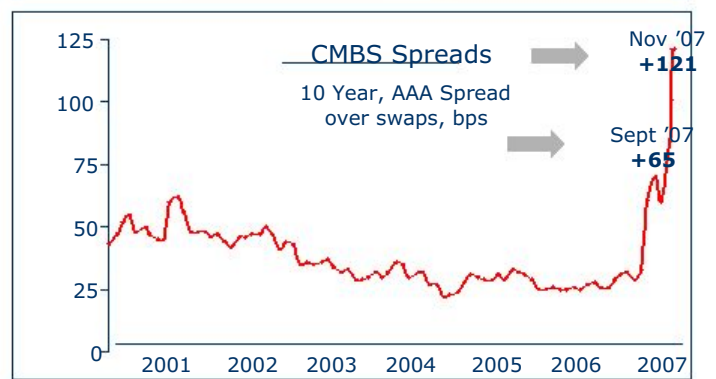
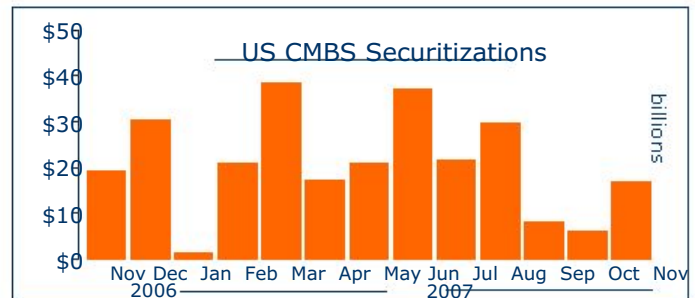


# CMBS Originations – A Strategic Business with Unprecedented Liquidity Issues and Spread Widening

## Context

- ▶ Focused on risk adjusted returns, supports our servicing activity
- ▶ High quality HFS credit portfolio consistent with moderate risk profile
- ▶ Unprecedented market volatility across entire non-government and non-agency markets
- ▶ As of November 30, 2007, commercial mortgages held for sale were approximately \$1.5B with \$55 million of losses
- ▶ Committed to the business

## Market Volatility Impact on CMBS



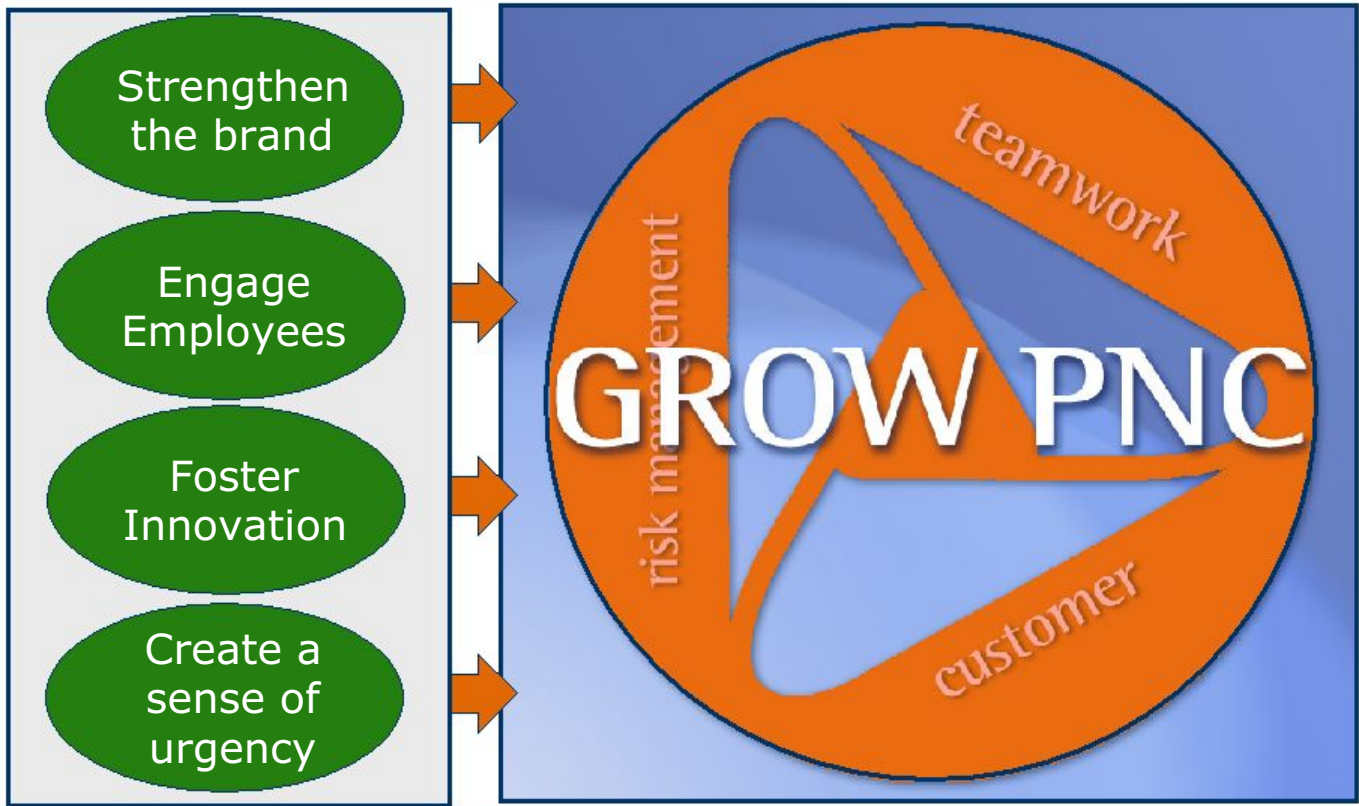
Source: Commercial Mortgage Alert



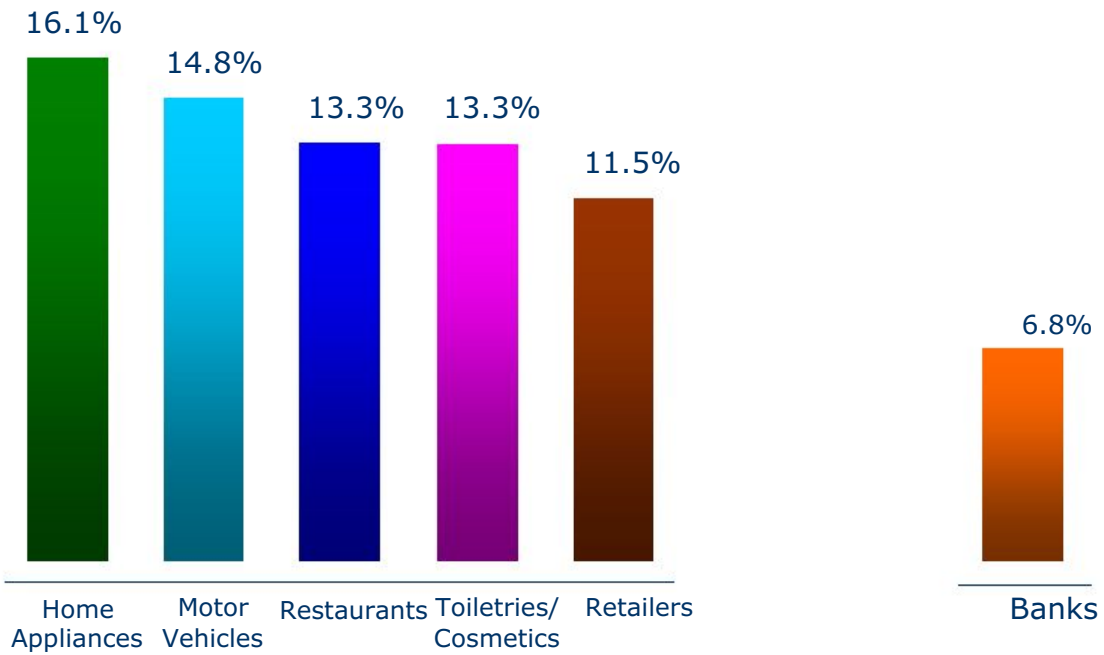
# PNC's Differentiation

- ▶ Performance validates business model
- ▶ Investing for the future
- ▶ Differentiation to drive growth

# PNC's Differentiation – Focus on Execution



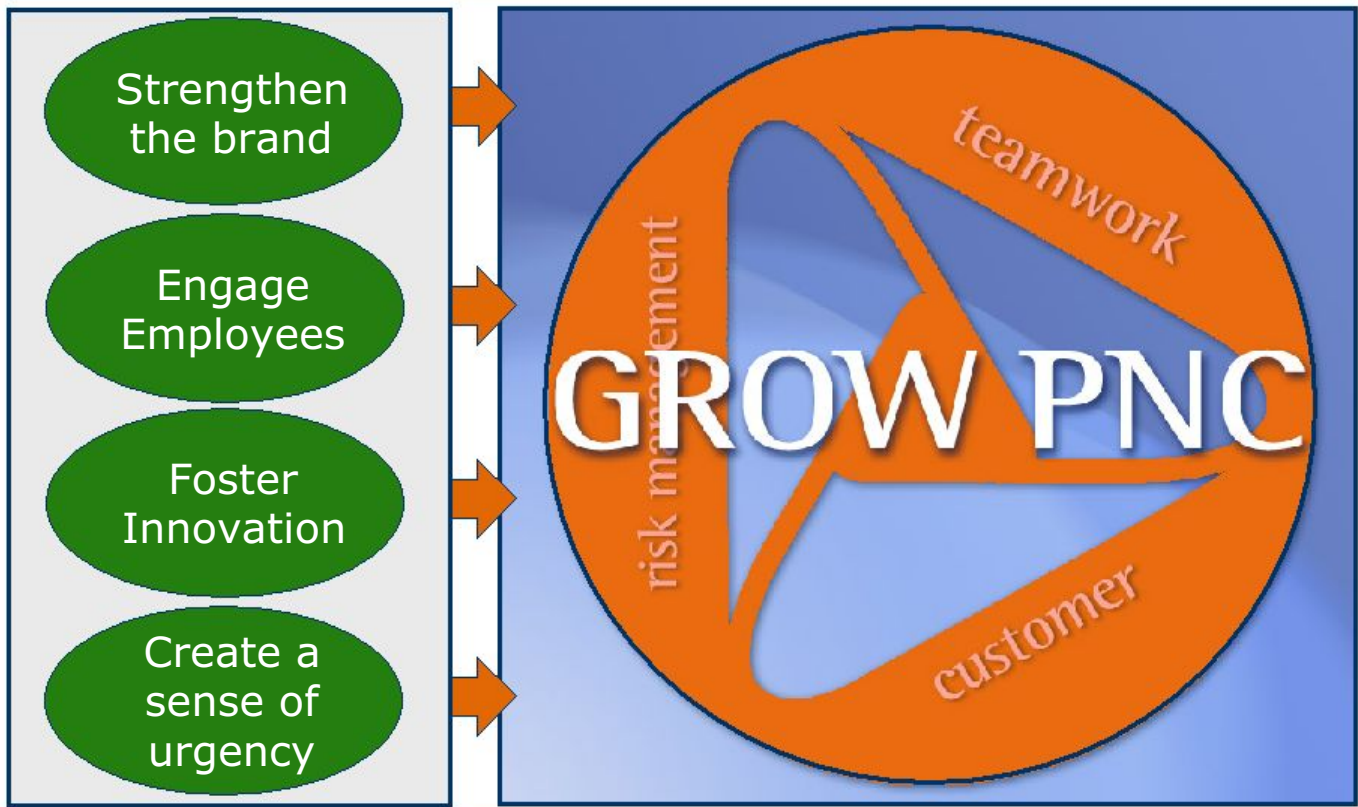
# Brand Equity Contribution to Market Cap



Source: CoreBrand



# PNC's Differentiation – Focus on Execution



# Summary

- ▶ Performance validates business model
- ▶ Investing for the future
- ▶ Differentiation to drive growth



# Cautionary Statement Regarding Forward-Looking Information

Appendix

We make statements in this presentation, and we may from time to time make other statements, regarding our outlook or expectations for earnings, revenues, expenses and/or other matters regarding or affecting PNC that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "will", "project" and other similar words and expressions.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made. We do not assume any duty and do not undertake to update our forward-looking statements. Because forward-looking statements are subject to assumptions and uncertainties, actual results or future events could differ, possibly materially, from those that we anticipated in our forward-looking statements, and future results could differ materially from our historical performance.

Our forward-looking statements are subject to the following principal risks and uncertainties. We provide greater detail regarding some of these factors in our Form 10-K for the year ended December 31, 2006, including in the Risk Factors and Risk Management sections of that report, and in our current quarter 2007 Form 10-Q and other SEC reports. Our forward-looking statements may also be subject to other risks and uncertainties, including those that we may discuss elsewhere in this presentation or in our filings with the SEC, accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and on or through our corporate website at [www.pnc.com](http://www.pnc.com) under "About PNC - Investor Relations - Financial Information."

- Our businesses and financial results are affected by business and economic conditions, both generally and specifically in the principal markets in which we operate. In particular, our businesses and financial results may be impacted by:
  - Changes in interest rates and valuations in the debt, equity and other financial markets.
  - Disruptions in the liquidity and other functioning of financial markets, including such disruptions in the markets for real estate and other assets commonly securing financial products.
  - Actions by the Federal Reserve and other government agencies, including those that impact money supply and market interest rates.
  - Changes in our customers', suppliers' and other counterparties' performance in general and their creditworthiness in particular.
  - Changes in customer preferences and behavior, whether as a result of changing business and economic conditions or other factors.
- A continuation of recent turbulence in significant portions of the global financial markets could impact our performance, both directly by affecting our revenues and the value of our assets and liabilities and indirectly by affecting the economy generally.
- Our operating results are affected by our liability to provide shares of BlackRock common stock to help fund certain BlackRock long-term incentive plan ("LTIP") programs, as our LTIP liability is adjusted quarterly ("marked-to-market") based on changes in BlackRock's common stock price and the number of remaining committed shares, and we recognize gain or loss on such shares at such times as shares are transferred for payouts under the LTIP programs.
- Competition can have an impact on customer acquisition, growth and retention, as well as on our credit spreads and product pricing, which can affect market share, deposits and revenues.



# Cautionary Statement Regarding Forward-Looking Information

(continued)

Appendix

- Our ability to implement our business initiatives and strategies could affect our financial performance over the next several years.
- Legal and regulatory developments could have an impact on our ability to operate our businesses or our financial condition or results of operations or our competitive position or reputation. Reputational impacts, in turn, could affect matters such as business generation and retention, our ability to attract and retain management, liquidity, and funding. These legal and regulatory developments could include: (a) the unfavorable resolution of legal proceedings or regulatory and other governmental inquiries; (b) increased litigation risk from recent regulatory and other governmental developments; (c) the results of the regulatory examination process, our failure to satisfy the requirements of agreements with governmental agencies, and regulators' future use of supervisory and enforcement tools; (d) legislative and regulatory reforms, including changes to laws and regulations involving tax, pension, education lending, and the protection of confidential customer information; and (e) changes in accounting policies and principles.
- Our business and operating results are affected by our ability to identify and effectively manage risks inherent in our businesses, including, where appropriate, through the effective use of third-party insurance, derivatives, and capital management techniques.
- Our ability to anticipate and respond to technological changes can have an impact on our ability to respond to customer needs and to meet competitive demands.
- The adequacy of our intellectual property protection, and the extent of any costs associated with obtaining rights in intellectual property claimed by others, can impact our business and operating results.
- Our business and operating results can also be affected by widespread natural disasters, terrorist activities or international hostilities, either as a result of the impact on the economy and capital and other financial markets generally or on us or on our customers, suppliers or other counterparties specifically.
- Also, risks and uncertainties that could affect the results anticipated in forward-looking statements or from historical performance relating to our equity interest in BlackRock, Inc. are discussed in more detail in BlackRock's 2006 Form 10-K, including in the Risk Factors section, and in BlackRock's other filings with the SEC, accessible on the SEC's website and on or through BlackRock's website at [www.blackrock.com](http://www.blackrock.com).

We grow our business from time to time by acquiring other financial services companies, including our pending Sterling Financial Corporation ("Sterling") acquisition. Acquisitions in general present us with risks other than those presented by the nature of the business acquired. In particular, acquisitions may be substantially more expensive to complete (including as a result of costs incurred in connection with the integration of the acquired company) and the anticipated benefits (including anticipated cost savings and strategic gains) may be significantly harder or take longer to achieve than expected. In some cases, acquisitions involve our entry into new businesses or new geographic or other markets, and these situations also present risks resulting from our inexperience in these new areas. As a regulated financial institution, our pursuit of attractive acquisition opportunities could be negatively impacted due to regulatory delays or other regulatory issues. Regulatory and/or legal issues related to the pre-acquisition operations of an acquired business may cause reputational harm to PNC following the acquisition and integration of the acquired business into ours and may result in additional future costs arising as a result of those issues.

Any annualized, proforma, estimated, third party or consensus numbers in this presentation are used for illustrative or comparative purposes only and may not reflect actual results. Any consensus earnings estimates are calculated based on the earnings projections made by analysts who cover that company. The analysts' opinions, estimates or forecasts (and therefore the consensus earnings estimates) are theirs alone, are not those of PNC or its management, and may not reflect PNC's, Sterling's or other company's actual or anticipated results.



# Additional Information About The PNC/Sterling Financial Corporation Transaction

Appendix

The PNC Financial Services Group, Inc. and Sterling Financial Corporation will be filing a proxy statement/prospectus and other relevant documents concerning the merger with the United States Securities and Exchange Commission (the "SEC"). WE URGE INVESTORS TO READ THE PROXY STATEMENT/PROSPECTUS AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE MERGER OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT/PROSPECTUS BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Investors will be able to obtain these documents free of charge at the SEC's web site at <http://www.sec.gov>. In addition, documents filed with the SEC by The PNC Financial Services Group, Inc. will be available free of charge from Shareholder Relations at (800) 843-2206. Documents filed with the SEC by Sterling Financial Corporation will be available free of charge from Sterling Financial Corporation by contacting Shareholder Relations at (877) 248-6420.

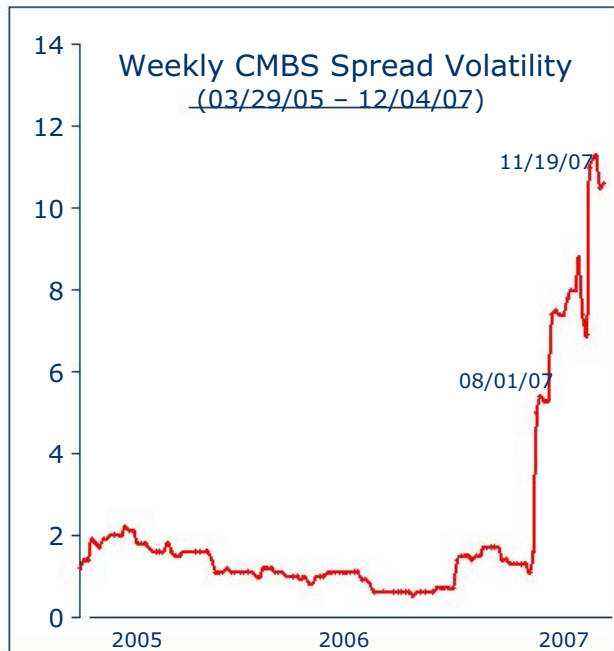
The directors, executive officers, and certain other members of management and employees of Sterling Financial Corporation are participants in the solicitation of proxies in favor of the merger from the shareholders of Sterling Financial Corporation. Information about the directors and executive officers of Sterling Financial Corporation is included in the proxy statement for its May 8, 2007 annual meeting of shareholders, which was filed with the SEC on April 2, 2007. Additional information regarding the interests of such participants will be included in the proxy statement/prospectus and the other relevant documents filed with the SEC when they become available.



# CMBS Supplemental Information

Appendix

## Spread Volatility



10 Year, AAA CMBS vs swaps, bps

Source: JPMorgan

## PNC CMBS Portfolio

- ▶ High quality portfolio
  - Internal assessment of 85%+ AAA equivalent
  - Modest level of kick-outs
  - Weighted average loan to value of 72% with conservative escrows
  - Average debt service coverage of 1.3x with 90%+ amortizing loans versus common trend of extended term interest-only financing



# Non-GAAP to GAAP Reconciliation

Appendix

## Earnings Summary – Nine Months Ended

### NINE MONTHS ENDED

In millions, except per share data

	September 30, 2007			September 30, 2006		
	Adjustments, Pretax	Net Income	Diluted EPS	Adjustments, Pretax	Net Income	Diluted EPS
Net income, as reported		\$1,289	\$3.85		\$2,219	\$7.46
Adjustments:						
BlackRock LTIP (a)	\$(1)	(1)				
Integration costs (b)	72	49	.15	\$91	39	.13
Gain on BlackRock/MLIM transaction (c)				(2,078)	(1,293)	(4.35)
Securities portfolio rebalancing loss (c)				196	127	.43
Mortgage loan portfolio repositioning loss (c)				48	31	.10
Net income, as adjusted		\$1,337	\$4.00		\$1,123	\$3.77

(a) Includes the impact of the gain recognized in connection with PNC's transfer of BlackRock shares to satisfy a portion of PNC's BlackRock LTIP shares obligation and the net mark-to-market adjustment on PNC's remaining BlackRock LTIP shares obligation.

(b) In addition to acquisition integration costs related to recent or pending PNC acquisitions reflected in the 2007 period presented, both the 2007 and the 2006 periods presented include BlackRock/MLIM transaction integration costs. BlackRock/MLIM transaction integration costs recognized by PNC for the first nine months of 2007 were included in noninterest income as a negative component of the "Asset management" line item, which includes the impact of PNC's equity earnings from PNC's investment in BlackRock. The first nine months of 2006 BlackRock/MLIM transaction integration costs were included in noninterest expense.

(c) Included in noninterest income on a pretax basis.

### NINE MONTHS ENDED

	September 30				
	2004	2005	2006	2007	CAGR
Net income, as reported	\$890	\$970	\$2,219	\$1,289	13%
Net income, as adjusted	890	970	1,123	1,337	15%
Diluted earnings per share, as reported	3.13	3.35	7.46	3.85	7%
Diluted earnings per share, as adjusted	\$3.13	\$3.35	\$3.77	\$4.00	9%



# Non-GAAP to GAAP Reconciliation

Appendix

## Income Statement Summary – For the Nine Months Ended September 30

<b>NINE MONTHS ENDED</b> <i>In millions</i>	September 30, 2007			September 30, 2006			% Change As Reported	% Change As Adjusted
	As Reported	Adjustments	As Adjusted (a)	As Reported	Adjustments	As Adjusted (b)		
Net interest income	\$2,122		\$2,122	\$1,679	(\$10)	\$1,669		
Net interest income:								
Loans	806		806	682	(10)	672	18%	20%
Deposits	1,316		1,316	997		997	32%	32%
<b>Noninterest income</b>	<b>2,956</b>	<b>\$4</b>	<b>2,960</b>	<b>5,358</b>	<b>(2,777)</b>	<b>2,581</b>	<b>(45%)</b>	<b>15%</b>
Total revenue	5,078	4	5,082	7,037	(2,787)	4,250	(28%)	20%
Loan net interest income as a % of total revenue	15.9%		15.9%	9.7%		15.8%		
Deposit net interest income as a % of total revenue	25.9%		25.9%	14.2%		23.5%		
<b>Noninterest income as a % of total revenue</b>	<b>58.2%</b>		<b>58.2%</b>	<b>76.1%</b>		<b>60.7%</b>		
Provision for credit losses	127		127	82		82		
Noninterest income	2,956	4	2,960	5,358	(2,777)	2,581		
<b>Noninterest expense</b>	<b>3,083</b>	<b>(67)</b>	<b>3,016</b>	<b>3,474</b>	<b>(856)</b>	<b>2,618</b>	<b>(11%)</b>	<b>15%</b>
Income before minority interest and income taxes	1,868	71	1,939	3,481	(1,931)	1,550		
Minority interest in income of BlackRock				47	(47)			
Income taxes	579	23	602	1,215	(788)	427		
<b>Net income</b>	<b>\$1,289</b>	<b>\$48</b>	<b>\$1,337</b>	<b>\$2,219</b>	<b>(\$1,096)</b>	<b>\$1,123</b>	<b>(42%)</b>	<b>19%</b>

(a) Amounts adjusted to exclude the impact of the following pretax items: (1) the gain of \$83 million recognized in connection with PNC's transfer of BlackRock shares to satisfy a portion of our BlackRock LTIP shares obligation, (2) the net mark-to-market adjustment totaling \$82 million on our remaining BlackRock LTIP shares obligation, and (3) acquisition and BlackRock/MLIM transaction integration costs totaling \$72 million. The net tax impact of these items is reflected in the adjustment to income taxes.

(b) Amounts adjusted to exclude the impact of the following pretax items: (1) the gain of \$2.078 billion on the BlackRock/MLIM transaction, (2) the loss of \$196 million on the securities portfolio rebalancing, (3) BlackRock/MLIM transaction integration costs of \$91 million for the first nine months of 2006, and (4) the mortgage loan portfolio repositioning loss of \$48 million. The net tax impact of these items is reflected in the adjustment to income taxes. We believe that information as adjusted for the impact of these items may be useful due to the extent to which these items are not indicative of our ongoing operations as the result of our management activities. Additionally, the amounts are also adjusted as if we had recorded our investment in BlackRock on the equity method. We believe that providing amounts adjusted as if we had recorded our investment in BlackRock on the equity method for all periods presented helps provide a basis of comparability for the impact of the BlackRock deconsolidation given the magnitude of the impact on various components of our consolidated income statement.

<b>OPERATING LEVERAGE - NINE MONTHS ENDED</b>	2006 to 2007 Change	
	As Reported	As Adjusted
Total revenue	(28%)	20%
Noninterest expense	(11%)	15%
Operating leverage	(17%)	5%



# Non-GAAP to GAAP Reconciliation

Appendix

## Income Statement Summary – For the Three Months Ended

<b>For the three months ended September 30, 2007</b>		PNC		% Change vs. June 30, 2007	
<i>In millions</i>	As Reported	Adjustments (a)	As Adjusted	Reported	Adjusted
Net interest income	\$761		\$761		
Loan net interest income	294		294	5%	5%
Deposit net interest income	467		467	2%	2%
Provision for credit losses	65		65		
Net interest income less provision for credit losses	696		696		
Asset management	204	\$2	206		
Other	786	50	836		
<b>Total noninterest income</b>	<b>990</b>	<b>52</b>	<b>1,042</b>	<b>2%</b>	<b>7%</b>
Compensation and benefits	553	(16)	537		
Other	546	(25)	521		
<b>Total noninterest expense</b>	<b>1,099</b>	<b>(41)</b>	<b>1,058</b>	<b>6%</b>	<b>3%</b>
Income before income taxes	587	93	680		
Income taxes	180	31	211		
<b>Net income</b>	<b>\$407</b>	<b>\$62</b>	<b>\$469</b>	<b>(4%)</b>	<b>8%</b>

<b>For the three months ended June 30, 2007</b>		PNC		PNC	
<i>In millions</i>	As Reported	Adjustments (b)	As Adjusted		
Net interest income	\$738		\$738		
Loan net interest income	280		280		
Deposit net interest income	458		458		
Provision for credit losses	54		54		
Net interest income less provision for credit losses	684		684		
Asset management	190	\$1	191		
Other	785	1	786		
<b>Total noninterest income</b>	<b>975</b>	<b>2</b>	<b>977</b>		
Compensation and benefits	544	(9)	535		
Other	496	(6)	490		
<b>Total noninterest expense</b>	<b>1,040</b>	<b>(15)</b>	<b>1,025</b>		
Income before income taxes	619	17	636		
Income taxes	196	6	202		
<b>Net income</b>	<b>\$423</b>	<b>\$11</b>	<b>\$434</b>		

(a) Includes the impact of the following items on a pretax basis: \$50 million net loss related to our BlackRock LTIP shares obligation and \$43 million of acquisition and BlackRock/MLIM transaction integration costs. The net tax impact of these items is reflected in the adjustment to income taxes.

(b) Includes the impact of the following items on a pretax basis: \$16 million of acquisition and BlackRock/MLIM transaction integration costs and \$1 million net loss related to our BlackRock LTIP shares obligation. The net tax impact of these items is reflected in the adjustment to income taxes.



# Non-GAAP to GAAP Reconciliation

Appendix

## Income Statement Summary – 2004 to 2006

<i>For the year ended December 31, 2006</i> <i>In millions</i>	BlackRock				
	PNC As Reported	Adjustments (a)	Deconsolidation and Other Adjustments	BlackRock Equity Method	PNC As Adjusted
Net interest income	\$2,245			\$(10)	\$2,235
Provision for credit losses	124				124
Noninterest income	6,327	\$(1,812)	(1,087)	\$144	3,572
<u>Noninterest expense</u>	<u>4,443</u>	<u>(91)</u>	<u>(765)</u>		<u>3,587</u>
Income before minority interest and income taxes	4,005	(1,721)	(332)	144	2,096
Minority interest in income of BlackRock	47	18	(65)		
Income taxes	1,363	(658)	(130)	7	582
<u>Net income</u>	<u>\$2,595</u>	<u>\$(1,081)</u>	<u>\$(137)</u>	<u>\$137</u>	<u>\$1,514</u>

(a) Includes the impact of the following items, all on a pretax basis, and adjustment for the tax impact thereof: \$2,078 million gain on BlackRock/MLIM transaction, \$196 million securities portfolio rebalancing loss, \$101 million of BlackRock/MLIM transaction integration costs, \$48 million mortgage loan portfolio repositioning loss, and \$12 million net loss related to our BlackRock LTIP shares obligation.

<i>For the year ended December 31, 2005</i> <i>In millions</i>	BlackRock			
	PNC As Reported	Deconsolidation and Other Adjustments	BlackRock Equity Method	PNC As Adjusted
Net interest income	\$2,154	\$(12)		\$2,142
Provision for credit losses	21			21
Noninterest income	4,173	(1,214)	\$163	3,122
<u>Noninterest expense</u>	<u>4,306</u>	<u>(853)</u>		<u>3,453</u>
Income before minority interest and income taxes	2,000	(373)	163	1,790
Minority interest in income of BlackRock	71	(71)		
Income taxes	604	(150)	11	465
<u>Net income</u>	<u>\$1,325</u>	<u>\$(152)</u>	<u>\$152</u>	<u>\$1,325</u>





# Non-GAAP to GAAP Reconciliation

Appendix

## Income Statement Summary – 2004 to 2006 (continued)

For the year ended December 31, 2004

<i>In millions</i>	PNC As Reported	BlackRock Deconsolidation and Other Adjustments	BlackRock Equity Method	PNC As Adjusted
Net interest income	\$1,969	\$(14)		\$1,955
Provision for credit losses	52			52
Noninterest income	3,572	(745)	\$101	2,928
Noninterest expense	3,712	(564)		3,148
Income before minority interest and income taxes	1,777	(195)	101	1,683
Minority interest in income of BlackRock	42	(42)		
Income taxes	538	(59)	7	486
Net income	\$1,197	\$(94)	\$94	\$1,197

<i>In millions</i>	2004	2005	2006	CAGR As Adjusted
Adjusted net interest income	\$1,955	\$2,142	\$2,235	
Adjusted noninterest income	2,928	3,122	3,572	
Adjusted total revenue	4,883	5,264	5,807	9%
Adjusted noninterest expense	3,148	3,453	3,587	7%
Adjusted net income	\$1,197	\$1,325	\$1,514	12%

<i>In millions</i>	2004	2005	2006	CAGR
Net interest income, as reported	\$1,969	\$2,154	\$2,245	
Noninterest income, as reported	3,572	4,173	6,327	
Total revenue, as reported	5,541	6,327	8,572	24%
Noninterest expense, as reported	3,712	4,306	4,443	9%
Net income, as reported	\$1,197	\$1,325	\$2,595	47%



# Non-GAAP to GAAP Reconciliation

Appendix

## Business Segments

Nine Months Ending September 30, 2007							
<i>Dollars in millions</i>	Retail Banking	Corporate & Institutional Banking	Other	Banking and Other	BlackRock	PFPC	Total
Net interest income (expense)	\$1,517	\$571	\$48	\$2,136		(\$14)	\$2,122
Noninterest income	1,280	558	260	2,098	\$227	631	2,956
Total Revenue	\$2,797	\$1,129	\$308	\$4,234	\$227	\$617	\$5,078

Noninterest income as a % of total revenue	46%	49%	84%	50%	100%	102%	58%
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Nine Months Ending September 30					
Earnings (Loss)					
<i>Dollars in millions</i>	2007	% of Segments	2006	% Change	
Retail Banking	\$678	53%	\$581	17%	
Corporate & Institutional Banking	341	26%	328	4%	
BlackRock (a)	176	14%	137	28%	
PFPC	96	7%	93	3%	
Total business segment earnings	1,291		1,139		
Other (a)(b)	(2)		1,080		
Total consolidated net income	\$1,289		\$2,219		

(a) For our segment reporting presentation in management's discussion and analysis, after-tax BlackRock/MLIM transaction integration costs totaling \$4 million and \$56 million for the nine months ended September 30, 2007 and September 30, 2006 have been reclassified from BlackRock to "Other." "Other" for the first nine months of 2007 also includes \$45 million of after-tax Mercantile acquisition integration costs.

(b) "Other" for the first nine months of 2006 included the \$2,078 million pre-tax, or \$1,293 million after-tax, gain on the BlackRock/MLIM transaction recorded in the third quarter of 2006.



# Peer Group of Super-Regional Banks

Appendix

## Ticker

The PNC Financial Services Group, Inc.	PNC
BB&T Corporation	BBT
Comerica	CMA
Fifth Third Bancorp	FITB
KeyCorp	KEY
National City Corporation	NCC
Regions Financial	RF
SunTrust Banks, Inc.	STI
U.S. Bancorp	USB
Wachovia Corporation	WB
Wells Fargo & Company	WFC

